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| 09/654,933 | 09/01/2000 | Jay S. Walker | 96-108XX | 7050 |
| 22927 | 7590 | 09/20/2004 | EXAMINER | |
| WALKER DIGITAL FIVE HIGH RIDGE PARK STAMFORD, CT 06905 | | | COLBERT, ELLA | |
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3624

DATE MAILED: 09/20/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/654,933

Applicant(s)WALKER ET AL. **Examiner**

Ella Colbert

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 17 June 2004.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 49-74 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 49-74 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☐ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____.
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____.

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DETAILED ACTION

1. Claims 49-74 are pending. Claims 49, 61, and 62 have been amended in this communication filed 06/17/04 entered as Re-Submission of Non-Compliant Amendment and Remarks.
2. The 35 U.S.C. 101 Rejection still remains for the reason(s) here below and the response to Arguments section of this Office Action.
3. Applicants' are respectfully requested to note the Examiner prosecuting this application has changed. All future correspondence should be directed to Examiner Colbert, Art Unit 3624.

Claim Rejections - 35 USC § 101

4. Claims 49-74 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

The basis of this rejection is set forth in a two-prong test of (1) whether the invention is within the technological arts; and (2) whether the invention produces a useful, concrete, and tangible result.

For a claimed invention to be statutory, the claimed invention must be within the technological arts. Mere ideas in the abstract (i.e., abstract idea, law of nature, natural phenomena) that do not apply, involve, use, or advance the technological arts fail to promote the "progress of science and the useful arts" (i.e., the physical sciences as opposed to social sciences, for example) and therefore are found to be non-statutory subject matter. For a process claim to pass muster, the recited process must somehow apply, involve, use, or advance the technological arts. In the present case, claims 49-

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60, 62-72 and 74 only recite an abstract idea. The recited steps of merely managing a credit account does not apply, involve, use, or advance the technological arts since all of the recited steps can be performed in the mind of the user or by use of a pencil and paper.

As to technological arts recited in the preamble, mere recitation in the preamble (i.e., intended or field of use) or mere implication of employing a machine or article of manufacture to perform some or all of the recited steps does not confer statutory subject matter to an otherwise abstract idea unless there is positive recitation in the claim as a whole to breathe life and meaning into the preamble. In the present case, none of the recited steps are directed to anything in the technological arts as explained above. Looking at the claim as a whole, nothing the body of the claim recites any structure or functionality to suggest that a computer performs the recited steps.

Although the recited process produces a useful, concrete, and tangible result, since the claimed invention, as a whole, is not within the technological arts as explained above, claims 49-60, 62-72 and 74 are deemed to be directed to non-statutory subject matter.

Example: A **computerized** method for selecting an insurance policy comprising the steps of (a) retrieving information from a customer **database** and an insurance policy **database**; (b) scoring the insurance policy **by a processor** based upon the information from the customer and policy; and (c) iterating steps (1) and (2) with different policies until a best insurance policy is selected based on a score determined from step (b).

Claim Rejections - 35 USC § 102

5. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless -

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

6. Claims 49-62 are rejected under 35 U.S.C. 102(e) as being anticipated by Cunningham (United States Patent Number 6,014,645).

Claims 49, 61 and 62: A method, corresponding apparatus and program comprising: determining a first value for an parameter of a credit account (figs. 2-4 and associated text); determining a second value for the parameter (col. S, lines 36-43); calculating a payment, wherein the payment is based on a modification of the parameter from the first value to the second value (figs. 2-4 and associated text); and providing an offer to a customer associated with the credit account, wherein the offer comprises an

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offer to provide the payment to the customer if the customer agrees to the modification of the parameter (figs. 2-4 and associated text).

Claim 50. The method of claim 49, further comprising: receiving a customer acceptance of the offer (fig. 4 and associated text).

Claim 51. The method of claim 50, further comprising:
providing the payment to the customer (fig. 4 and associated text; col. 4, lines 17-52);
and modifying the account parameter from the first value to the second value (fig. 4 and associated text; col. 4, lines 17-52).

Claim 52. The method of claim 51, wherein an indication of the first value of the parameter of the credit account associated with the customer is stored in a record of a parameter database (figs. 3-4 and associated text) and where the step of modifying the parameter comprises: substituting the second value for the first value in the record of the parameter database (figs. 3-4 and associated text).

Claim 53. The method of claim 52, wherein the value of the parameter as stored in the record of the parameter database is used to calculate an amount owed by the customer for activity on the credit account (figs. 3-4 and associated text).

Claim 54. The method of claim 49, wherein the account parameter comprises one of an interest rate, a time period of the interest rate, a monthly minimum payment, a credit limit, a grace period, a payment amnesty, and a late fee (col. 4, lines 53-64).

Claim 55. The method of claim 49, wherein the second value is selected based on information associated with the customer associated with the credit account (col. 5, lines 32-43).

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Claim 56. The method of claim 55, wherein the customer information comprises a customer rating (fig. 4 and associated text; col. 4, lines 17-30).

Claim 57. The method of claim 56, wherein the customer rating is based on at least one of a past payment history for the credit account, information obtained from a credit reporting agency, and an income of the customer (figs. 2-3 and associated text; col. 4, lines 11-16).

Claim 58. The method of claim 49, wherein the step of calculating the payment comprises: calculating a payment, wherein the payment is based on the modification of the parameter from the first value to the second value and information associated with the customer associated with the credit account (col. 5, lines 32-43).

Claim 59. The method of claim 49, wherein the second value of the parameter is more favorable to a credit account issuer associated with the credit account (col. 4, lines 53-64).

Claim 60. The method of claim 49, wherein the second value of the parameter is more profitable to a credit account issuer associated with the credit account (col. 4, lines 53-64).

7. Claims 63-74 are rejected under 35 U.S.C. 102(e) as being anticipated by Weiss et al. (United States Patent Number 6,131,810).

Claims 63, 73 and 74: A method, corresponding system and program comprising: determining that a customer associated with a credit account is dissatisfied with the credit account (fig. 5M and associated text);

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determining at least one term of the credit account (fig. SM and associated text); and
presenting the customer with an offer to modify the at least one term of the credit
account (fig. 5M and associated text).

Claim 64. The method of claim 63, further comprising:

determining a modification to the at least one tenor of the credit account (fig. SM and
associated text); and wherein the step of presenting comprises:

presenting the customer with an offer to modify by the determined modification the at
least one term of the credit account (fig. 5M and associated text).

Claim 65. The method of claim 63, further comprising:

receiving from the customer a requested modification to the at least one term of the
credit account (figs. 5H, 5M and associated text).

Claim 66. The method of claim 65, further comprising:

evaluating the requested modification in order to determine whether to accept or reject
the modification (figs. 5H, 5M and associated text); and

transmitting to the customer, based on the evaluation, at least one of an acceptance
and a rejection of the requested modification (figs. 5H, 5M and associated text).

Claim 67. The method of claim 66, further comprising:

modifying the at least one selected term by the modification if an acceptance is
transmitted (figs. 5J-5M and associated text).

Claim 68. The method of claim 66, further comprising:

determining an alternate modification based on the requested modification if a rejection
is transmitted (figs. 5J-5M and associated text); and

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transmitting to the customer the alternate modification (figs. 5J-5M and associated text).

Claim 69. The method of claim 63, wherein the determination that a customer is dissatisfied with the credit account is based on receiving, from the customer, a request to cancel the account (fig. 5M and associated text).

Claim 70. The method of claim 63, further comprising:
determining a payment to offer to the customer in exchange for modifying the at least one term (fig. 5M and associated text); and wherein the offer to modify the at least one term of the credit account includes an offer of the payment (fig. 5M and associated text).

Claim 71. The method of claim 64, further comprising:
determining information associated with the customer, wherein the modification is at least based on the information associated with the customer (figs. 4A-4E and associated text; col. 9, lines 62-65).

Claim 72. The method of claim 74, wherein the information associated with the customer comprises at least one of a past payment history for the credit account, information obtained from a credit reporting agency, and an income of the customer (figs. 4A-4E and associated text; col. 9, lines 62-65).

Response to Arguments

8. Applicants' arguments filed 06/17/04 have been fully considered but they are not persuasive.

Issue no. 1: Applicants' argue: The basis for the 35 U.S.C. 101 Rejection, the claims of Group I being directed to statutory subject matter, and that the claims meet the standard for statutory subject matter has been considered but is not persuasive.

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Response: Without a technological basis in the body of the independent claims 49, 62, 63, and 74 the following is presented as being unpatentable and not in the technological arts: The method claims as presented do not claim a technological basis in the body of the claims. Without a claimed basis, the claims may be interpreted in an alternative as involving no more than a manipulation of an abstract idea and therefore non-statutory under 35 U.S.C. 101. In contrast, a method claim that includes in the body of the claim at least one structural/functional interrelationship which can only be computer implemented is considered to have a technological basis [See Ex parte Bowman, 61 USPQ2d 1669, 1671 (Bd. Pat. App. & Inter. 2001)- used only for content and reasoning since not precedential]. The following analysis of the independent method claims 49, 62, 63, and 74 is provided here below.

The basis of this rejection is set forth in a two-prong test of:

(1) whether the claimed subject matter is directed to a “practical application”; or
(2) whether the invention produces “a useful, concrete and tangible result.”, that is, whether the claimed subject matter is applied in a practical manner to produce a useful result. “[C]ertain types of mathematical subject matter, standing alone, represent nothing more than abstract ideas until reduced to some type of practical application, i.e., ‘a useful, concrete and tangible result.’ (State Street, 149 F.3d 1373, 47 USPQ2d at 1600-01 (citing Alppat, 33 F.3d 1544, 31 USPQ2d at 1557)).

For a claimed invention to be statutory, the claimed invention must be within the technological arts. Mere ideas in the abstract (i.e., abstract ideas, law of nature, natural phenomena) that do not apply, involve, use, or advance technological arts fail to

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promote the “progress of science and the useful arts” (i.e., the physical sciences as opposed to social sciences, for example) and therefore are found to be non-statutory subject matter. For a process claim to pass muster, the recited process must somehow apply, involve, use, or advance the technological arts.

(A) In the present case, claims 49, 62, 63, and 74 recite an abstract idea only. The recited method and steps of the claims merely, a) determining a first value, determining a second value, calculating a payment, providing an offer to a customer, determining that a customer is associated with a credit account, determining at least one term of the credit account, and presenting the customer with an offer in claims 49 and 63, the medium encoded with a program for implementing the method with a program for directing a device to perform the method steps in claims 62 and 74 which corresponds to the method steps in claims 49 and 63 and determining a first value and a second value, calculating a payment, providing an offer to a customer, determining that a customer associated with a credit account is dissatisfied, determining at least one term of the credit account, and presenting the customer with an offer, do not apply, involve, use, or advance the technological arts since all of the recited method steps can be performed in the mind of the user or by use of a pencil and paper. These steps only constitute an idea of how to determine a first and second value, calculate a payment, provide an offer to a customer, determine that a customer is associated with a credit account, determine at least one term of the credit account, and present the customer with an offer. The claims do not have a computer performing the method in the preamble or a user determining a first value at the computer or determining a second

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value at the computer or determining at a computer that a customer is associated with a credit account. Independent claims 49 and 62 are merely a mathematical algorithm that can be performed by a pencil and paper. Dependent claims 50-59 are therefore rejected for their dependency.

(b) Independent claims 62 and 74 do not claim the method steps as being embodied in a computer readable medium encoded with a program for implementing the method. Dependent claims 64-72 are therefore rejected for their dependency.

In addition, for a claimed invention to be statutory, it must produce a useful, concrete, and tangible result. In the present case, the claimed invention produces a method for determining a first and second parameter of a credit account (i.e., repeatable) used in calculating a payment, and providing an offer to a customer (i.e., useful and tangible). Although the recited process produces a useful, concrete, and tangible result, since the claimed invention, as a whole, is not within the technological arts as explained above, claims 49-60, 62-72 and 74 are deemed to be directed to non-statutory subject matter.

With respect to the rejection under 35 U.S.C § 101, the Examiner asserts that the claimed invention does not fall within the technological arts because no form of technology is disclosed or claimed.

Issue no. 2: Applicants' argue C.5. Claims 52 and 53: We dispute the additional requirement of the "two-prong test," we note that claims 52 and 53 each recite a **parameter database** and a record of a **parameter database** which is not deemed persuasive. Response: First, claims 52 and 53 are dependent claims and are not

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independent claims and second, a database is defined as a collection of data stored on a computer storage medium, such as a disk, that can be used for more than one purpose. Therefore, a database is merely a storage device for storing data. A storage device is by definition an apparatus for recording computer data in permanent or semi-permanent form. When a distinction is made between primary (main) storage devices and secondary (auxiliary) storage devices, the former refers to random access memory (RAM) and the latter refers to disk drives and other external devices such as floppy disks, hard disks, tape, and optical disks.

Issue no. 3: Applicants' argument: We have carefully reviewed the Cunningham reference cited by the Examiner, without finding a teaching or suggestion of *calculating a payment, wherein the payment is based on a modification of a parameter from the first value to the second value*, much less *providing an offer to provide the payment to the customer if the customer agrees to the modification of the parameter* has been considered but is not deemed persuasive. Response: It is interpreted Cunningham teaches the calculating payment, wherein the payment is based on a modification of a parameter from the first value to the second value in particular in col. 5, lines 6-67 and fig. 3 (60, 62, 64, and 66), col. 6, lines 1-11, fig. 4 (70, 72, 74, 76) and providing an offer to provide the payment to the customer if the customer agrees to the modification of the parameter in col. 6, lines 12-22 and fig. 4 (78, 80, 82, and 84). The claims do not recite or indicate that modifying the account may include changing a value of a parameter of the account (e.g., an interest rate, a minimum payment, or a price of modifying an account is calculated). Although the claims are interpreted in light of the specification,

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limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993).

Issue no. 4: Applicants' argue: The Examiner has not established a prima facie case of anticipation of claims 63-74 and Weiss does not teach or suggest all of the features of any independent claims 63, 73, and 74 has been considered but is not deemed persuasive. Response: It is interpreted Weiss teaches substantially the claim limitations of independent claims 63, 73, and 74 "determining that a customer associated with a credit account is dissatisfied with the credit account in col. 19, lines 7-26 and fig. 5M and presenting the customer with an offer to modify the at least one term of the credit account in col. 19, lines 19-37 and fig. 5M.

In conclusion: In this rejection of claim 49 and others, for example under Section 102 (e) of Title 35 of the United States Code, the Examiner carefully drew up a correspondence between the Applicants' claimed limitations and one or more referenced passages in the Cunningham reference and the Weiss et al reference and what is known to the skilled artisan. The Examiner is entitled to give claim limitations their broadest reasonable interpretation in light of the Specification (see below):

2111 Claim Interpretation; Broadest Reasonable Interpretation [R-1]

>CLAIMS MUST BE GIVEN THEIR BROADEST REASONABLE INTERPRETATION

During patent examination, the pending claims must be "given the broadest reasonable interpretation consistent with the specification." Applicant always has the opportunity to amend the claims during prosecution and broad interpretation by the examiner reduces the possibility that the claim, once issued, will be interpreted more broadly than is justified. *In re Prater*, 162 USPQ 541,550-51 (CCPA 1969).<

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Independent claims 49 and 62 reciting “determining a first value for a parameter of a credit account; determining a second value for the parameter” is interpreted very broadly. The usage of the terms “value” and “parameter” are considered to be indefinite because no “value amount” is given and a value by definition is “a fair return or equivalent in goods, services, or money for something exchanged, the monetary worth of something: marketable price” and “parameter” in its broadest sense is defined as “an arbitrary constant whose value characterizes a member of a system or an independent variable used to express the coordinates of a variable point and functions of them or any of a set of physical properties whose values determine the characteristics or behavior of something”.

Conclusion

9. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

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Inquiries

10. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Ella Colbert whose telephone number is 703-308-7064. The examiner can normally be reached on Monday-Thursday.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on 703-308-1038. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



E. Colbert
September 13, 2004



VINCENT MILLIN
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